

# **HANDBOOK TO ACCOMPANY WEST LAFAYETTE PURCHASING POLICIES<sup>1</sup>**

*\*This Handbook is to be used for the purchasing of supplies and services, and NOT for Public Works Projects*

## **I. PREPARE SPECIFICATIONS**

- Specifications must be prepared for every purchase, and are to be delivered to the Board of Works<sup>1</sup> for indexing.
  - Exception:
    - If the purchasing agent makes a **written** determination that it's not feasible for the City to do the specifications, then a **Request for Specifications** may be sent out.
      - Request for Spec's must include:
        - 1) Factors that will be used to evaluate the specs;
        - 2) A statement concerning the relative importance of each factor; AND
        - 3) A statement as to whether or not the City will discuss the spec's with the proposing entity, if clarification is needed
    - **Notice:**
      - A request for specifications must be published 2 times, at least one week apart. The last publication must be at least 3 days before the date the requested spec's are due.

## **II. DETERMINE CATEGORY OF PURCHASE**

- 1) If purchase is reasonably expected to be **LESS THAN \$50,000.00**, then it falls under **SMALL PURCHASES**. *See page 2.*
- 2) If purchase is reasonably expected to be **\$50,000 - \$149,999**, then it falls under **REQUEST FOR QUOTES**. *See page 2.*
- 3) If purchase is reasonably expected to be **\$150,000 OR GREATER**, then it falls under **BIDDING**. *See page 3.*

Exception: If written determination that bidding is not practicable or not advantageous to the City, then it falls under **REQUESTS FOR PROPOSALS**. *See page 4.*

- 4) If purchase is for **SERVICES**, then it falls under **SERVICES**. *See page 6.*

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<sup>1</sup> This Handbook is equally applicable to purchases made under the authority of the West Lafayette Parks and Recreation Board and the West Lafayette Redevelopment Commission. Therefore, the term "Board of Works" should be read to specify such Board or Commission as may be applicable.

- 5) The following special circumstances fall under **SPECIAL PURCHASES**. *See page 6.*
- ***Sole Source*** – If purchasing agent determines *in writing* that there is only one source for the supplies needed.
  - ***Emergencies*** – Purchases needed in times of an emergency
  - ***Unique Opportunity for Savings*** – Must be approved by Board of Works (or the Mayor if during an emergency), when there is a unique opportunity to obtain supplies or services at a substantial savings to the city.
  - ***Auctions***
  - ***Government Discount Available*** – When a discount is available from the market rate. (For example: State contracts, Indiana One, any other government discount in any state or jurisdiction)
  - ***Purchase from Person With a Federal Contract*** – If the purchase is made from a person who has a contract with a federal agency, and that contract requires them to make available supplies for a municipality.
  - ***Data Processing Contracts or License Agreements*** – 1) for software programs or 2) for supplies or services, when only one source meets the City’s reasonable requirements
  - ***Gifts*** – Acquisition of supplies through acceptance of a gift to the City are allowed.
  - ***Copyrighted Material*** – If purchasing copyrighted materials to be used, provided, or distributed by a state agency.
  - ***Purchasing from a Public Utility*** – Requires that the purchase or lease price of supplies be **negotiated** after the purchasing agency obtains an appraisal and the utility obtains an appraisal of the cost of the supplies.
  - ***Impairs the Functioning of an Agency*** – This is a catch-all exception that allows special purchasing ONLY when the purchase of supplies or services using the required method would “seriously impair the functioning of the using agency”

### **III. SMALL PURCHASES**

- Any purchase up to \$10,000 may be purchased on the open market without further requirements, unless proscribed by the Department Head who may implement procedures designed to enhance the value received by the City.
- Purchases over \$10,000 up to \$50,000

#### **STEP 1 – Request for Quotes**

- Purchasing Agent shall solicit at least 3 written quotes from vendors known to deal in those supplies. There is no need to request permission from Board of Works to request quotes.

#### **STEP 2 – Accept Best Offer**

- Purchasing Agent shall select the quote which is determined by the Purchasing Agent to represent the best value to the City.

#### **STEP 3 – Report Purchase**

- Purchasing Agent shall report the purchase, including any relevant documentation, to the Board of Works.

#### **IV. REQUEST FOR QUOTES**

- Purchases reasonably expected to be over \$50,000 up to \$149,999

##### **STEP 1 – Request for Quotes**

- Purchasing agent shall submit requests for quotes to all vendors on the vendor register for the type of supplies to be purchased **AND** to any other vendors known to deal in those supplies (at the discretion of the purchasing agent).
  - Need to solicit at least 3 vendors for quotes. (Not necessary to request permission from Board of Works to solicit quotes).
- Must be submitted to vendors at least **7 days before quotes are due**
- Request may be sent via **e-mail, fax, or regular mail**
- Request should indicate that vendors can submit quotes by e-mail, fax, or regular mail.
- Attach a non-collusion affirmation to be signed by the offeror.

##### **STEP 2 – Submission of Quotes**

- All quotes received for the Board of Works should be submitted to the Clerk-Treasurer and will be opened at the time specified in the presence of witnesses at a noticed, public meeting to open quotes
- Whenever possible, quotes should be opened at Board of Works meetings
- Submissions must include a non-collusion affirmation.

##### **STEP 3 – Accept Lowest Responsible Offer or Reject All Quotes**

- If the purchasing agent receives a satisfactory quote, then the contract ***shall*** be awarded to the lowest responsible and responsive offeror
- If no satisfactory quotes are received, the purchasing agent may proceed under **SPECIAL PURCHASES**.

##### **NOTES:**

- The purchasing agent may use posted advertising prices in the consideration of quotes. These include prices from a faxback system, and internet prices.

- The purchasing agent may discuss and obtain best and final offers from responsible offerors who **are determined to be reasonably susceptible of being selected for the contract.**

## **V. BIDDING**

- Required for any purchase reasonably expected to be \$150,000 or greater
  - Exception: If the purchasing agent makes a **written** determination that the use of competitive sealed bidding is either 1) not practicable or 2) not advantageous to the City → then may use **REQUESTS FOR PROPOSALS**.

### **STEP 1 – Invitation For Bids** - Must include the following:

- 1) A purchase description.
- 2) All contractual terms and conditions that apply to the purchase.
- 3) A statement of the evaluation criteria that will be used, including any of the following:
  - a. Inspection.
  - b. Testing.
  - c. Quality.
  - d. Workmanship.
  - e. Delivery.
  - f. Suitability for a particular purpose.
  - g. Price.
- 4) If bid offer is from a trust, see IC 5-22-3-5.
- 5) The time and place for opening the bids. This should be at a Board of Works meeting whenever possible, but the Board of Works may permit opening at a public meeting noticed for bid opening that is in the presence of witnesses.
- 6) A statement that a bid bond is required.
- 7) A statement concerning the conditions under which a bid may be canceled or rejected in whole or in part as specified under IC 5-22-18-2.
- 8) Non-Collusion Affirmation
- 9) Bid Price form – Providing for quantities, unit pricing, extended pricing, name of vendor and date.

### **STEP 2 – Notice Requirement**

- The invitation for bids must be **published two times, one week apart**. The last publication **must be at least 7 days before the dates bids will be opened**.

### **STEP 3 – Bid Opening**

- Bids must be opened in public in the presence of one or more witnesses at the time and place designated in the invitation. Whenever possible, this should be at a Board of Works meeting.

### **STEP 4 – Award Contract or Reject All Bids**

- The Contract must be awarded promptly in writing to the lowest responsible and responsive bidder.

- However, if the purchasing agent determines that there are no bids that are responsible and responsive, then the purchase may proceed under **SPECIAL PURCHASES**
- The definitions of “responsible” and “responsive” are contained in Ind. Code 5-22-16-1 and 5-22-16-2.

**BID CHANGES** – If bids are modified from what the invitation requires, see *Sections 5.09-5.10*. Bids MAY NOT be modified after bids are opened.

## **VI. REQUESTS FOR PROPOSALS**

- If purchase is reasonably expected to be \$150,000 or greater **AND** the purchasing agent makes a *written* determination that the use of competitive sealed bidding is either 1) not practicable or 2) not advantageous to the City.

### **STEP 1 – Solicit Proposals**

Request for proposals must include the following:

- a) The factors or criteria that will be used in evaluating the proposals.
- b) A statement concerning the relative importance of price and the other evaluation factors.
- c) A statement concerning whether the proposal must be accompanied by a certified check or other evidence of financial responsibility, which may be imposed in accordance with rules of the governmental body.
- d) A statement concerning whether discussions may be conducted with responsible offerors, who submit proposals determined to be reasonably susceptible of being selected for award.
- e) Non-collusion affirmation.

### **STEP 2 – Notice Requirement**

- The request for proposals must be **published two times, one week apart**. The last publication **must be at least 7 days before the dates bids will be opened**

### **STEP 3 – Opening of Proposals**

- Proposals should be opened at a Board of Works meeting whenever possible.
- Proposals must be opened in the presence of witnesses.
- Proposals must be opened so as to avoid disclosure of contents to competing offerors during the negotiation process.

### **STEP 4 – Negotiating With Responsible Offerors**

- If the request for proposals allows discussions with responsible offerors, there are certain rules that must be followed:
  - Offerors must be accorded **fair and equal treatment** during discussions.
  - Equivalent information must be provided to all offerors during discussions
  - You cannot reveal the identity of other offerors if you use information from competing proposals in your discussions.
  - You cannot add in new evaluation factors that were not included in the initial request for proposals

#### STEP 5 – Award

- The contract shall be awarded to the responsible offeror whose proposal is **determined in writing** to be the most advantageous to the City, taking into account **price and the evaluation factors used**.

#### STEP 6 – Prepare Register of Proposals

- The purchasing Agent must prepare a register of proposals, which will be made available for public inspection **after** the contract is awarded.
- The register must contain:
  - A copy of the request for proposals.
  - A list of all persons to whom copies of the request for proposals were given.
  - A list of all proposals received, which must include all of the following:
    - The names and addresses of all offerors.
    - The dollar amount of each offer.
    - The name of the successful offeror and the dollar amount of that offeror's offer.
  - The basis on which the award was made.
  - The entire contents of the contract file except for proprietary information included with an offer, such as trade secrets, manufacturing processes, and financial information that was not required to be made available for public inspection by the terms of the request for proposals.

### VII. SPECIAL PURCHASES

- Generally, once a purchase falls under this category, it can be made without any other requirements (bids, proposals, etc.)

#### REQUIREMENTS:

- 1) A special purchase must be competitive under the circumstances (as is practicable in the circumstances).
- 2) Separate contract files – The files for special purposes shall be maintained separately from other purchasing contracts
- 3) A **written determination** must be kept in the file that includes:
  - The reason for the special purchase; and
  - The reason for selecting the particular contractor
- 4) Records for special purchases must be kept for 5 years and also include:
  - Contractor's name

- The amount and type of each contract
- A description of the supplies purchased

#### **VIII. SERVICES**

- There are no state requirements for purchasing of services, and the purchasing agency may purchase services using any procedure the governmental body or the purchasing agency of the governmental body considers appropriate.